

RECEIVED  
FEDERAL ELECTION  
COMMISSION  
OFFICE OF GENERAL  
COUNSEL

RECEIVED  
FEC MAIL  
OPERATIONS CENTER

IN AND BEFORE THE

2006 JUN -9 P 3: 58

2006 JUN -9 P 4: 15

FEDERAL ELECTION COMMISSION

In re: )  
 )  
 ) MUR 5645  
 )  
 Santorum 2006 and Gregg )  
 R. Melinson, in his official )  
 capacity as treasurer )

**RESPONSE AND OBJECTIONS  
TO REASON TO BELIEVE FINDING**

The Federal Election Commission ("FEC" or "the Commission") has notified Santorum 2006 and Gregg R. Melinson, in his official capacity as treasurer, in the above-referenced Matter Under Review 5645 ("the MUR") that it has found reason to believe ("RTB Finding") that Santorum 2006, the principal authorized campaign committee of Rick Santorum, candidate for re-election to the United States Senate from Pennsylvania ("the Committee") may have violated the Federal Election Campaign Act of 1971, as amended ("FECA" or "the Act").

The Committee objects to the finding and submits this response to demonstrate that it should not be penalized for the actions of others, of which it had no knowledge and could not reasonably have been expected to know of the apparent violation(s) committed by others.

Facts

The fundraising event at issue in the MUR<sup>1</sup> took place on June 30, 2003 at the home of Stan and Gretchen Rapp in Hummelstown, Pennsylvania ("the Rapp Event"). The Commission has provided to the Committee copies of the invoice(s) for catering and wine for the Rapp Event, which documents were apparently obtained during an FEC enforcement proceeding(s) involving Mr. Bruce Hironimus and Highmark Inc. ("Highmark"). The Committee is not aware of the disposition of the enforcement action regarding either Mr. Hironimus or Highmark and has no firsthand knowledge of any actions that Mr. Hironimus (or others) may have taken that would constitute any violation(s) of FECA.

With regard to the Rapp Event, the Committee states unequivocally that it was not aware that the costs of the event exceeded permissible amounts nor was the Committee aware of any in-

<sup>1</sup> Although there are several events and incidents discussed in the Factual and Legal Analysis received by the Committee, only one, the Rapp Event, both references Santorum 2006 and occurred within the five-year statute of limitations for action by the Commission. See 2 U.S.C. §455. Accordingly, only the Rapp Event is addressed in this Response.

2704415449

kind contribution(s) of wine from Mr. Hironimus. In fact, the *host* of the Rapp Event, Mr. Stan Rapp, was not even aware that Mr. Hironimus may have brought wine to the Rapp Event. See Exhibit 1, Affidavit of Stan Rapp

With regard to the cost(s) of the catering, Ms. Nadine Maenza was the Committee's fundraising consultant responsible for organizing the Rapp Event. According to Ms. Maenza, she believed the costs of the event did *not* exceed the allowance for an in-home fundraising event as provided in 2 U.S.C. §431(8)(B)(ii). See Exhibit 2, Affidavit of Nadine Maenza

Mr. Rapp, who *was* aware of the catering costs, stated that Mr. Hironimus indicated to him that the costs of the catering would be paid by the Highmark Health PAC of Highmark, Inc., a federally registered separate segregated fund of Highmark, Inc., Mr. Hironimus's employer and that the expenditure would then be reported as an in-kind contribution *from* the Highmark PAC to the Committee. See Exhibit 1, Affidavit of Stan Rapp

Ms. Maenza testifies in her sworn Affidavit that she was totally unaware of the assertions in the RTB Finding regarding payments of the costs of the Rapp Event by anyone other than Mr. and Mrs. Rapp and further, that she had no reason to question anyone regarding the costs, based on her twenty plus years of experience as a fundraising consultant, responsible for organizing and attending events of this nature. See Exhibit 2, Affidavit of Nadine Maenza

The Committee states that it received no notice of the actual costs of the event and reasonably believed that the costs were allowable under the Act.

Finally, the Commission asserts in the RTB Finding that the amount of \$7,938.81 relates to the Rapp Event, which amount has been calculated by the Commission as \$7,568.40 for catering and \$370.41 for wine. The wine invoice provided by the Commission is for a total of \$449.79, but the Commission has not furnished the Committee with any information regarding how it calculated the amount of \$370.41 for purposes of costs assigned to the Rapp Event. Because neither the Committee nor the event host, Mr. Rapp, had knowledge of any wine purportedly furnished by Mr. Hironimus, the Committee is unable to comment on or respond to the allegation.

### Conclusion

Accordingly, because the Santorum 2006 Committee fundraising consultant and the host of the Rapp event both believed that the costs of the reception were handled in a manner that complied with the Act, and had no reason to doubt the accuracy of their belief, the Committee should not be held responsible for the improper actions of Mr. Hironimus, which he did not and still has never disclosed to the Committee or its representatives.

For the reasons stated above, Santorum 2006 respectfully moves that the MUR be dismissed as against the Committee.

27044154450

*Cleta Mitchell*

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Counsel for Santorum 2006  
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(202) 672-5399 (fax)  
cmitchell@foley.com

Submitted this 9<sup>th</sup> day of June, 2006

27044154451

Commonwealth of Pennsylvania )  
County of Dauphin ) ss:  
)

AFFIDAVIT OF STAN RAPP

I, Stan Rapp, do hereby affirm and state as follows:

1. I am an adult citizen of the Commonwealth of Pennsylvania and a resident of Dauphin County.
2. My wife, Gretchen Rapp, and I hosted a fundraising reception for Sen. Rick Santorum (R-PA) in our home on June 24, 2003 ("the Event").
4. My recollection and understanding was that Mr. Hironimus would make arrangements for the Event costs to be paid by the federal PAC with which he was associated and that the PAC would report the payment as an in-kind contribution to Santorum 2006.
5. I was not aware that Mr. Hironimus brought wine or any other items to the Event.
6. I believed that Mr. Hironimus had arranged for the expense of the event to be paid for by his federal PAC.
7. I am familiar with the options for payment of expenses associated with a fundraising event for a federal candidate and believed that the arrangements for payment of the costs of the Event were completely legal and within the parameters of the regulations governing such events.
8. I did not advise the Santorum campaign of the payment arrangements that Mr. Hironimus and I had worked out regarding the federal PAC's assumption of those costs because I believed that Mr. Hironimus was going to have the payment made by the PAC and that he would then advise the Santorum campaign of his PAC's in-kind contribution.
9. I believed that everything had been done correctly and in compliance with the law.
10. Mr. Hironimus did not advise me that his federal PAC did not pay for the Event's costs.

Further Affiant Sayeth Not.

  
Stan Rapp

Exhibit 1

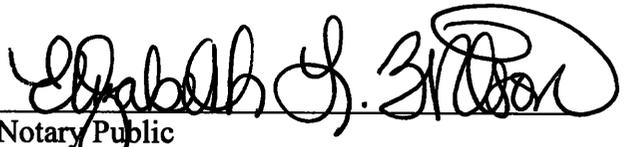
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Before me appeared this 8<sup>th</sup> day of June, 2006, Stan Rapp and swore under penalty of perjury that the above and foregoing statements are true and correct to the best of his knowledge and belief.



**COMMONWEALTH OF PENNSYLVANIA**  
Notarial Seal  
Elizabeth L. Wilson, Notary Public  
City of Harrisburg, Dauphin County  
My Commission Expires May 31, 2008  
Member, Pennsylvania Association of Notaries

  
\_\_\_\_\_  
Notary Public

My Commission Expires:

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Exhibit 1

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Commonwealth of Pennsylvania )  
County of Chester ) ss:  
 )

AFFIDAVIT OF NADINE MAENZA

I, Nadine Maenza, do hereby affirm and state as follows:

1. I am an adult citizen of the Commonwealth of Pennsylvania and a resident of Chester County.
2. I have been self-employed as a professional fundraiser for various campaign committees for more than twenty (20) years, including raising funds for the late Senator John Heinz, Republican of Pennsylvania and his successor, Sen. Rick Santorum (R-PA).
3. I have organized hundreds of fundraising events during my career, including the reelection kickoff event to benefit Sen. Santorum held at the home of Stan and Gretchen Rapp in June, 2003 ("the Rapp event").
4. The Santorum campaign committee has always followed a practice of keeping the costs of all events as low as possible so as to maximize the net amount of funds raised for the campaign at each event.
5. The Rapp event was not an elaborate event in my experience; rather, it was a cocktail party with no entertainment, it was not a seated dinner and the food consisted of hors d'oeuvres passed to people as they were standing and self-serve buffet stations. The cocktails were a normal and usual bar of wine, beer and mixed drinks.
6. I did not receive an invoice following the event and assumed that the costs were within the allowable amount for an event hosted in the home by Mr. and Mrs. Rapp, or \$2,000 or less.
7. During the current election cycle, I organized an event held at Mr. Rapp's office which was similar in nature to the Rapp Event in 2003 and the cost was \$1700. A copy of the invoice for the recent event is attached to this Affidavit as Exhibit 1.
8. I was not aware of the cost(s) of the Rapp Event or that it exceeded the \$2000 in home event allowance. I did not inquire regarding the costs or ask to see an invoice because the event did not appear to me to exceed the allowable amount. As a professional fundraising expert, I can normally gauge the approximate costs of particular events, depending on the venue, the type of food and drinks and the manner of serving the food/beverages. Nothing about the Rapp Event suggested to me the amount of the invoice for the event and I am surprised to learn of the costs.
9. I was further not aware that Bruce Hironimus, or any other person, had paid any costs of the Rapp Event, other than the amounts I assumed were paid by Stan and Gretchen Rapp pursuant to the allowable in-home costs for a fundraising event.

Exhibit 2

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10. It is the practice of the Santorum committee to pay all costs in excess of the allowable in-home exception for any events and/or to pay directly all costs of fundraising events.

11. The Santorum committee was not aware of the amounts incurred and paid for the Rapp Event and would have paid the costs for the event had we been advised of the amount.

12. I have always been instructed by those responsible for fundraising for Sen. Santorum's campaign(s) to keep event costs low and to be certain that the campaign pays all amounts for the fundraising events *other* than the allowable in-home exceptions.

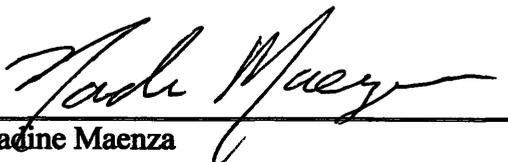
13. I have now reviewed the invoice(s) from the event furnished by the Federal Election Commission for the first time. I am completely surprised at the charges for the event and would never have thought that the event costs would or should have been as high as the amounts reflected on the invoice(s).

14. I am further advised that Mr. Hironimus indicated that he brought wine to the event. That is also completely surprising to me because I attended the event and did not see Mr. Hironimus bring anything to the event.

15. There was no reason for Mr. Hironimus to fail to comply with the law and the normal Santorum campaign procedures for paying all costs of fundraising events that exceed the in-home allowance.

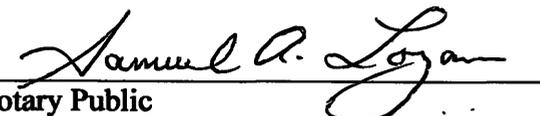
16. No one associated with the Santorum fundraising duties had any idea that the costs were this much or that they were not paid in accordance with the law.

Further Affiant Sayeth Not.

  
Nadine Maenza

Before me appeared this 6<sup>th</sup> day of June, 2006, Nadine Maenza and swore under penalty of perjury that the above and foregoing statements are true and correct to the best of her knowledge and belief.

SEAL

  
Notary Public

My Commission Expires: 10-22-08

NOTARIAL SEAL  
Samuel A Logan, Notary Public  
West Conshohocken Boro., Montgomery County  
My commission expires October 22, 2008

Exhibit 2  
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**SCHEDULE B  
ITEMIZED DISBURSEMENTS**

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER: (check only one)		PAGE 78 / 107			
<input checked="" type="checkbox"/>	17	<input type="checkbox"/>	18	<input type="checkbox"/>	19a
<input type="checkbox"/>	20a	<input type="checkbox"/>	20b	<input type="checkbox"/>	20c
<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>	21

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee

NAME OF COMMITTEE (in Full)  
Santorum 2006

Full Name (Last, First, Middle Initial) <b>A. Nadine Msenza</b>		Date of Disbursement 04 / 07 / 2003	
Mailing Address		Amount of Each Disbursement this Period 3465.74	
City Spring city	State PA	Zip Code 19475	Category/ Type  <i>Printing / mailing / meals / tolls / supplies &amp; telephone</i>
Purpose of Disbursement Expense Reimbursement	Candidate Name		
Office Sought House Senate President	Disbursement For: Primary General Other (specify) ▼	Transaction ID: SB8248	
State	District		

Full Name (Last, First, Middle Initial) <b>B. Sequoia Presidential Yacht Group, LLC</b>		Date of Disbursement 04 / 10 / 2003	
Mailing Address The Watergate 2600 Virginia Avenue, NW		Amount of Each Disbursement this Period 9000.00	
City Washington	State DC	Zip Code 20037	Category/ Type
Purpose of Disbursement Fundraising Event Costs	Candidate Name		
Office Sought: House Senate President	Disbursement For: Primary General Other (specify) ▼	Transaction ID: SB8249	
State	District		

Full Name (Last, First, Middle Initial) <b>C. Paychex, Inc</b>		Date of Disbursement 04 / 10 / 2003	
Mailing Address Valley Forge Corporate Center 1100 Adams Avenue		Amount of Each Disbursement this Period 85.10	
City Norristown	State PA	Zip Code 19403	Category/ Type
Purpose of Disbursement Payroll Processing Fees	Candidate Name		
Office Sought House Senate President	Disbursement For: Primary General Other (specify) ▼	Transaction ID: SB8250	
State	District		

SUBTOTAL of Disbursements This Page (optional)	12530.84
TOTAL This Period (last page this line number only)	

FEC Schedule B (Revised 1/2001)

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NM 0001